

AMENDED IN SENATE MARCH 25, 2014

SENATE BILL

No. 1028

Introduced by Senator Jackson
(Coauthor: Assembly Member Williams)

February 14, 2014

An act to amend Section 69439 of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

SB 1028, as amended, Jackson. Student financial aid: Cal Grant C awards.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant C—~~Program~~ *program* under the administration of the Student Aid Commission and establishes eligibility requirements for awards under this program. The act requires that a Cal Grant C award be used only for occupational or technical training, as defined, in a course of not less than 4 months. The act requires the commission, after consultation with state and federal agencies, to determine the areas of occupational or technical training for which Cal Grant C awards shall be awarded. Existing law also requires the Student Aid Commission to develop, and regularly review and update at least every 5 years, the areas of occupational or technical training for which students may utilize Cal Grant C awards and to give priority in granting the awards to students pursuing occupational or technical training in areas that meet specified criteria. The act requires the maximum award amount and total amount of funding for the Cal Grant C—~~Program~~ *program* to be determined each year in the annual Budget Act. The act requires the number of the awards made each year to be the same as the number of awards made for the 2000–01 fiscal year. The act requires

the Legislative Analyst's Office to report every odd-numbered year to the Legislature on the outcomes of the Cal Grant C program, as specified.

This bill would revise and recast the act to, among other things, require the number of awards made each year to be at least the same number of awards made for the 2000–01 fiscal year and would require, *if sufficient funds are available*, the amount awarded to be not less than \$3,009, and not more than \$5,000, per award. The bill would reserve 2,500 awards for the California's long-term unemployed. *The bill would provide that if, for a given year, there are less than 2,500 long-term unemployed applicants, the balance of the awards would be awarded as specified.* The bill would additionally authorize the award be expended for the student's living expenses. The bill would require the commission, in consultation with specified entities, for purposes of the Cal Grant C program, to prioritize occupational training programs and industry clusters. The bill would require the commission to consult with specified public entities to develop a plan to publicize the grant award program ~~to the~~ *for* California's long-term unemployed *to be used by those specified public entities when they come into contact with members of the population who are likely to be eligible for the award, and would require the commission to develop a plan to make students receiving awards aware of job search and placement services available through specified public entities. Because a local workforce investment board would be required to use the plan to publicize the grant award program for the long-term unemployed, this bill would impose a state-mandated local program.* The bill would require the commission, instead of the Legislative Analyst's Office, to submit to the Legislature the above-described reports and would require the reports to provide information separately on the awards reserved for the long-term unemployed.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

SECTION 1. Section 69439 of the Education Code is amended to read:

69439. (a) For the purposes of this section, the following terms have the following meanings:

(1) “Career pathway” means an identified series of positions, work experiences, or educational benchmarks or credentials with multiple access points that offer occupational and financial advancement within a specific career field or related fields over time.

(2) “Economic security” means, with respect to a worker, earning a wage sufficient to support a family adequately, and, over time, to save for emergency expenses and adequate retirement income, based on factors, such as household size, the cost of living in the worker’s community, and other factors that may vary by region.

(3) “Industry cluster” means any of the following:

(A) A geographic concentration or emerging concentration of interdependent industries with direct service, supplier, and research relationships.

(B) Independent industries that share common resources in a given regional economy or labor market.

(C) A group of employers closely linked by common products or services, workforce needs, similar technologies, and supply chains in a given regional economic or labor market.

(4) “Long-term unemployed” means, with respect to an award applicant, a person who has been unemployed for more than 26 weeks at the time of submission to the commission of his or her application.

(5) “Occupational or technical training” means that phase of education coming after the completion of a secondary school program and leading toward recognized occupational goals approved by the commission.

(b) (1) A Cal Grant C award shall be utilized only for occupational or technical training in a course of not less than four months. ~~Except as provided in paragraph (4), there~~ *There* shall be, at least, the same number of Cal Grant C awards each year as were made in the 2000–01 fiscal year.

1 (2) (A) A minimum of 2,500 Cal Grant C awards shall be
2 reserved for California's long-term unemployed.

3 (B) *If, for a given year, fewer than 2,500 applicants who are*
4 *long-term unemployed apply for these awards, then the balance*
5 *of the awards shall be reserved for those who have dropped out*
6 *of the labor force after being unemployed for more than 26 weeks.*

7 (C) *If, for a given year, fewer than 2,500 applicants who are*
8 *long-term unemployed for a year or who have dropped out of the*
9 *workforce after being unemployed for more than 26 weeks apply*
10 *for these awards, then the balance of the awards shall be available*
11 *for applicants who meet the general eligibility criteria.*

12 (3) The maximum award amount and the total amount of funding
13 shall be determined each year in the annual Budget Act, but, *if*
14 *sufficient funds are available*, the annual award amount of Cal
15 Grant C awards shall be no less than three thousand nine dollars
16 (\$3,009) and no more than five thousand dollars (\$5,000) per
17 award.

18 ~~(4) If the total amount of funding provided in the annual Budget~~
19 ~~Act for a fiscal year is insufficient to provide the same number of~~
20 ~~Cal Grant C awards made in the 2000–01 fiscal year at the~~
21 ~~minimum award level of three thousand nine dollars (\$3,009) for~~
22 ~~each award, the commission shall ensure the amount awarded for~~
23 ~~each award is not less than three thousand nine dollars (\$3,009).~~

24 (c) The commission may use criteria it deems appropriate in
25 selecting students to receive grants for occupational or technical
26 training and may use different criteria for awards reserved for the
27 long-term unemployed.

28 (d) The Cal Grant C award recipients shall be eligible for
29 renewal of their grants until they have completed their occupational
30 or technical training in conformance with terms prescribed by the
31 commission. A determination by the commission for a subsequent
32 award year that the program under which a Cal Grant C *award*
33 was initially awarded is no longer deemed to receive priority shall
34 not affect an award recipient's renewal. In no case shall the grants
35 exceed two calendar years.

36 (e) Cal Grant C awards may be used for institutional fees,
37 charges, and other costs, including tuition, plus training-related
38 costs, such as special clothing, local transportation, required tools,
39 equipment, supplies, books, and living expenses. In determining

1 the individual award amounts, the commission shall take into
2 account other state and federal programs available to the applicant.

3 (f) (1) To ensure alignment with the state's dynamic economic
4 needs, the commission, in consultation with appropriate state and
5 federal agencies, including the Economic and Workforce
6 Development Division of the Office of the Chancellor of the
7 California Community Colleges and the California Workforce
8 Investment Board, shall identify areas of occupational and technical
9 training for which students may utilize Cal Grant C awards. The
10 commission, to the extent feasible, shall also consult with
11 representatives of the state's leading competitive and emerging
12 industry clusters, workforce professionals, and career technical
13 educators, to determine which occupational training programs and
14 industry clusters should be prioritized.

15 (2) (A) Except as provided in subparagraph (B), the areas of
16 occupational and technical training developed pursuant to
17 paragraph (1) shall be regularly reviewed and updated at least
18 every five years, beginning in 2012.

19 (B) By January 1, 2016, the commission shall update the priority
20 areas of occupational and technical training.

21 (3) The commission shall give priority in granting Cal Grant C
22 awards to students pursuing occupational or technical training in
23 areas that meet the following criteria:

24 (A) High employer need or demand and likelihood of the student
25 being placed in a job for which the student is being trained.

26 (B) High employment salary or wage projections for workers
27 employed in the occupations for which they are being trained.

28 (C) The likelihood of job placement in a position with a
29 well-articulated career pathway to a job providing economic
30 security.

31 (D) High employment growth in the occupational field or
32 industry cluster for which the student is being trained.

33 (g) The commission shall determine areas of occupational or
34 technical training that meet the criteria described in paragraph (3)
35 of subdivision (f) in consultation with the Employment
36 Development Department, the Economic and Workforce
37 Development Division of the Office of the Chancellor of the
38 California Community Colleges, and the California Workforce
39 Investment Board using projections available through the Labor
40 Market Information Data Library. The commission may supplement

1 the analyses of the Employment Development Department's Labor
2 Market Information Data Library with the labor market analyses
3 developed by the Economic and Workforce Development Division
4 of the Office of the Chancellor of the California Community
5 Colleges and the California Workforce Investment Board, as well
6 as the projections of occupational shortages and skills gap
7 developed by industry leaders. The commission shall publish, and
8 retain, on its Internet Web site a current list of the areas of
9 occupational or technical training that meet the criteria described
10 in paragraph (3) of subdivision (f), and update this list as necessary.

11 (h) The commission shall examine the graduation rates and job
12 placement data of eligible programs. Commencing with the
13 2014–15 academic year, the commission shall give priority to Cal
14 Grant C *award* applicants seeking to enroll in programs that rate
15 high in graduation rates and job placement data.

16 (i) (1) The commission shall consult with ~~the Workforce~~
17 ~~Services Branch~~ of the Employment Development Department,
18 the Office of the Chancellor of the California Community Colleges,
19 the California Workforce Investment Board, and the local
20 workforce investment boards to develop a plan to publicize the
21 existence of the grant award program ~~to the~~ *for* California's
22 long-term ~~unemployed~~. *unemployed to be used by those consulting*
23 *agencies when they come in contact with members of the population*
24 *who are likely to be eligible.*

25 (2) The commission shall consult with the Workforce Services
26 Branch of the Employment Development Department, the Office
27 of the Chancellor of the California Community Colleges, the
28 California Workforce Investment Board, and the local workforce
29 investment boards to develop a plan to make students receiving
30 awards aware of job search and placement services available
31 through the Employment Development Department and the local
32 workforce investment boards.

33 (j) (1) Notwithstanding Section 10231.5 of the Government
34 Code, the commission shall submit a report to the Legislature on
35 the outcomes of the Cal Grant C ~~Program~~ *program* on or before
36 April 1, 2015, and on or before April 1 of each odd-numbered year
37 thereafter. This report shall include, but not necessarily be limited
38 to, information on all of the following, with information on awards
39 that are reserved for the long-term unemployed provided separately:

1 (A) The age, gender, and segment of attendance for recipients
2 in two prior award years.

3 (B) The occupational and technical training program categories
4 prioritized.

5 (C) The number and percentage of students who received
6 selection priority as defined in paragraph (3) of subdivision (f).

7 (D) The extent to which recipients in these award years were
8 successfully placed in jobs that meet local, regional, or state
9 workforce needs.

10 (2) For the report due on or before April 1, 2015, the commission
11 shall include data for two additional prior award years and shall
12 compare the mix of occupational and technical training programs
13 and institutions in which Cal Grant C *award* recipients enrolled
14 before and after implementation of subdivision (f).

15 (3) A report to be submitted pursuant to this subdivision shall
16 be submitted in compliance with Section 9795 of the Government
17 Code.

18 *SEC. 2. If the Commission on State Mandates determines that*
19 *this act contains costs mandated by the state, reimbursement to*
20 *local agencies and school districts for those costs shall be made*
21 *pursuant to Part 7 (commencing with Section 17500) of Division*
22 *4 of Title 2 of the Government Code.*